

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscca>.
- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DRL website: An individual who believes that information on the website is inaccurate may contact the webmaster at web@drl.state.wi.gov

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF	:	
DISCIPLINARY PROCEEDINGS	:	
AGAINST	:	FINAL DECISION AND ORDER
BETTY LOU CAUFFMAN,	:	LS0707111APP
RESPONDENT.	:	

Division of Enforcement Case # 05 APP 067

The parties to this action for the purposes of Wis. Stat. § 227.53 are:

Betty Lou Cauffman
4446 Golf Drive
Fennimore, WI 53809

Wisconsin Real Estate Appraisers Board
1400 East Washington Avenue, P.O. Box 8935
Madison, WI 53708-8935

Department of Regulation & Licensing
1400 East Washington Avenue, P.O. Box 8935
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Wisconsin Real Estate Appraisers Board (“Board”). The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. Betty Lou Cauffman is licensed in the State of Wisconsin as a Real Estate Appraiser having license # 4-1062. This license was first granted to her on June 23, 1997. Ms. Cauffman’s most recent address on file with the Department of Regulation and Licensing (“Department”) is 4446 Golf Drive, Fennimore, WI 53809.
2. On August 3, 2001, Ms. Cauffman performed an appraisal of property at 38138 Morning Dove Lane in Prairie du Chien, Wisconsin and prepared a report and estimate of value as of July 30, 2001.
3. A Case Advisor assigned by the Real Estate Appraisers Board reviewed Ms. Cauffman’s report on September 11, 2006 and noted the following USPAP violations:
 - The report does not identify the intended user(s).
 - The report does not identify the intended use of the appraisal work.
 - The report does not provide an opinion of reasonable exposure time linked to the value opinion.
 - The work file shows a family room which is 28’2” x 15’1” and no bedrooms or baths in the lower level. Basement finish by this measure is ~445-450 sq. ft. or 29%. In the report, Ms. Cauffman indicates it is 79% finished (FR, 3 bedrooms, 1 bath). The 2003 appraisal submitted by the complainant indicates that there is one room in the lower level and that there is ~390-400 sq. ft. of finish (25%). There is a problem regarding how much finish is actually in the

lower level for the subject.

- Ms. Cauffman's report indicates that there is a 4 car garage; the 2003 appraisal submitted by the complainant shows a 2 car detached garage. Ms. Cauffman's sketch and the photos (which are difficult to view since they are black and white photocopies) appear to show a 3 car attached garage. There is a problem regarding what type of garage is present for the house.

- The report does not have a scope of work statement.

- Ms. Cauffman has not provided the requested copy of the MLS sheet for Sale 1, but she did provide a grid showing that she has used this sale in a different appraisal. In the Morning Dove appraisal, she indicates that Sale 1 (61822 Hoffland Lane) has a 3 car detached garage; in the other appraisal, she indicates it has a 2 car detached garage. For Sale 3, the MLS sheet lists this house as having 5 fireplaces and 1,300 sq. ft. of basement finish (89%). Ms. Cauffman indicates 1 fireplace and 75% (1,095 sq. ft.).

- The site size adjustments are exceedingly low; Ms. Cauffman indicates that the land is worth ~\$9,700 per acre, yet she adjust at only ~\$1,360 per acre in the sales comparison grid.

- The report provides no explanation for the large (+\$40,000 and -\$80,000) quality adjustments other than that she adjusted at \$40,000 per "step."

- The report provides no explanation for not making age adjustments for houses that are 1 and 2 years old vs. 5 years old.

- Adjustments of \$1,250 for a full bath, and \$500 for a .5 bath are far too low. Indicates that the house would cost \$115 per sq. ft. to build, yet adjusts at \$14 per sq. ft. for house size differences. Given that Sale 1 is 71% larger than the subject and Sale 3 is 94% larger than the subject and these adjustments are at such a low level, the value opinion is significantly overstated. Adjusts for basement area at \$12 per sq. ft. and finished main floor area at \$14 per sq. ft.; this is completely illogical. According to the grid, the houses have 1,239, 982, 1,080, and 1095 sq. ft., respectively (Subject, Sale 1, Sale 2, and Sale 3). Adjusts Sale 1 up \$11/sq. ft., Sale 2 up \$12/sq. ft., and Sale 3 \$0 per sq. ft. This is not consistent.

- "Lack of rental data" is not a valid reason to exclude this approach to value. More appropriate reasons might be that zoning prohibits rental, similar homes are purchased for owner occupancy (not investments), etc.

- The report does not identify the reporting option used.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to section 458 (3) of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to section 227.44 (5) of the Wisconsin Statutes

2. In her appraisal and appraisal report, Betty Lou Cauffman

- Failed to identify the intended user(s), thereby violating USPAP Standards Rule 1-2a.
- Failed to identify the intended use of the appraisal work, thereby violating USPAP Standards Rule 1-2b.
- Failed to provide an opinion of reasonable exposure time linked to the value opinion, thereby violating USPAP Standards Rule 1-2c.
- Failed to adequately identify how much finish is in the lower level for the subject and what type of garage is present, thereby violating USPAP Standards Rule 1-2e.
- Failed to include a scope of work statement, thereby violating USPAP Standards Rule 1-2f.
- Reported inconsistent data for the type of garage at 61822 Hoffland Lane, reported inconsistent data for the number of fireplaces and extent of basement finish at 33541 Serenity Lane, used exceedingly low site size adjustments, not explaining the large quality adjustments, provided no explanation for not making age adjustments, and made

inadequate and inconsistent adjustments, thereby violating USPAP Standards Rule 1-4a.

- Excluded the Income Approach to Value based on "lack of rental data", thereby violating USPAP Standards Rule 1-4c.

- Failed to identify the reporting option used, thereby violating USPAP Standards Rule 2-2.

3. Respondent Betty Lou Cauffman is subject to discipline under Wisconsin Administrative Code section RL 86.01 (2) and Wisconsin Statutes section 458.26 (3) (b) for the USPAP violations in paragraph 2 above.

ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that Betty Lou Cauffman must successfully complete the following coursework offered by The Appraisal Institute:

- Residential Sales Comparison and Income Approach (30 hours).

Ms. Cauffman has already submitted proof of successful completion of this coursework.

None of the education completed pursuant to this order may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that Betty Lou Cauffman pay the Department's costs of this matter in the amount of \$564 within 60 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to

Department Monitor
Department of Regulation and Licensing
P.O. Box 8935
Madison, WI 53708-8935
Fax (608) 266-2264
Phone (608) 261-7904

In the event Ms. Cauffman fails to pay the costs within the time and in the manner as set forth above, her Real Estate Appraisers license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that file 05 APP 067 be closed.

Dated this 11th day of July, 2007.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Mark P. Kowbel
Chair / A Member of the Board

IN THE MATTER OF	:	
DISCIPLINARY PROCEEDINGS	:	
AGAINST	:	STIPULATION
BETTY LOU CAUFFMAN,	:	
RESPONDENT.	:	

Division of Enforcement Case # 05 APP 067

It is hereby stipulated between Betty Lou Cauffman, respondent, and John Nicholas Schweitzer, attorney for the Department of Regulation and Licensing, Division of Enforcement, as follows:

1. This Stipulation is entered into as a result of a pending investigation of Ms. Cauffman’s licensure by the Division of Enforcement.
2. Ms. Cauffman has been offered the opportunity to obtain the advice of legal counsel prior to signing this stipulation.
3. Ms. Cauffman understands that by signing this Stipulation she voluntarily and knowingly waives her rights, including: the right to a hearing on the allegations against her, at which time the state has the burden of proving those allegations by a preponderance of the evidence; the right to confront and cross-examine the witnesses against her; the right to call witnesses on her behalf and to compel their attendance by subpoena; the right to testify herself; the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision; the right to petition for rehearing; and all other applicable rights afforded to her under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and other provisions of state or federal law.
4. Ms. Cauffman consents to the resolution of this investigation by Stipulation and without the issuance of a formal complaint. She agrees to the adoption of the attached Final Decision and Order by the Real Estate Appraisers Board, without further notice, pleading, appearance or consent of the parties. Ms. Cauffman waives all rights to any appeal of the Board's order, if adopted in the form as attached. The Division of Enforcement joins Ms. Cauffman in recommending that the Board accept this Stipulation and issue the attached Final Decision and Order.
5. The parties understand and agree that if the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter will be returned to the Division of Enforcement for further proceedings. In the event that this Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by consideration of this attempted resolution.
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Enforcement and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of the Respondent or her attorney, for the purpose of speaking in support of this agreement and answering questions that any member of the Board may have in connection with deliberations on the Stipulation. Additionally, any such Board member may vote on whether the Board should accept this Stipulation and issue the attached Final Decision and Order.
7. Ms. Cauffman is aware that if the Board adopts this Stipulation, the Final Decision and Order will be published in accordance with standard Department procedure.

4446 Golf Drive
Fennimore, WI 53809
Real Estate Appraisers License #4-1062

John Nicholas Schweitzer
Attorney for the Division of Enforcement
Wisconsin Department of Regulation and Licensing
P.O. Box 8935
Madison, WI 53708-8935

Date